

Leverage Transportation to Advance Economic Development

*Tangible Result Driver – Roberta Broeker,
Chief Financial and Administrative Officer*

Transportation is essential to Missouri's economic well-being. It plays a critical role in creating jobs and stimulating lasting growth for Missouri. In addition, focusing on ways to advance economic development helps MoDOT achieve its mission of promoting a prosperous Missouri.



Leverage Transportation to Advance Economic Development

Miles of new 4-lane corridors completed

Result Driver: Roberta Broeker, Chief Financial & Administrative Officer

Measurement Driver: Jay Bledsoe, Transportation System Analysis Engineer

Purpose of the Measure:

This measure tracks the miles of additional divided highways available to the public. Access to a divided highway system supports economic development in Missouri. One of MoDOT's recent priorities has been completion of four-lane corridors in order to connect segments of highway where gaps exist.

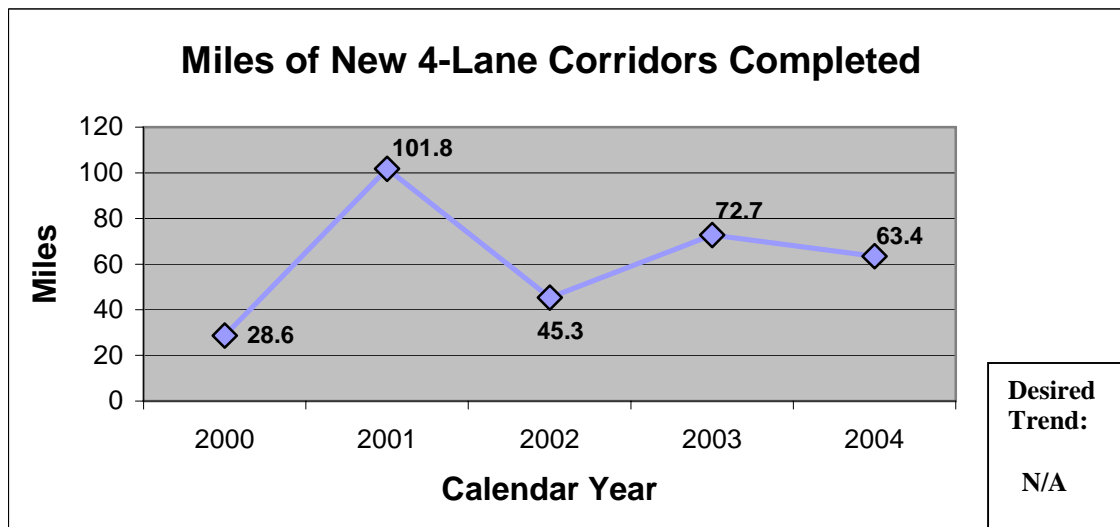
Measurement and Data Collection:

Projects that create or complete sections of dual-divided highways will be identified and tracked. Completion will be defined as the date the project is opened to traffic.

Improvement Status:

The increase of 101.8 miles in 2001 is primarily due to bond-financed projects approved in 2000 by the Missouri Legislature. Without these additional funds, progress for 2005 and 2006 is expected to be much lower, probably less than 20 miles. However, the number of miles of new four-lane corridors constructed will increase in 2007 and beyond from Amendment 3 bond funds approved by Missouri voters in November 2004.

As part of a partnership with the Missouri Department of Economic Development, MoDOT is initiating a study to track the creation and location of businesses along newly established four-lane corridors. This information, along with data on business size and employment, will help determine the economic value of this transportation improvement.



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Percent utilization of SIB & STAR loan programs

Result Driver: Roberta Broeker, Chief Financial & Administrative Officer

Measurement Driver: Raye Ann Lecure, Economic/Operations Analysis Manager

Purpose of Measure:

This measure shows the percent utilization of MoDOT's revolving loan programs, the Missouri's State Infrastructure Bank (SIB) and the State Transportation Assistance Revolving (STAR) program. It demonstrates how well utilized these funds are by showing a ratio of how much of the funds are currently on loan versus the amount available to be loaned.

The Missouri Transportation Finance Corporation (MTFC), a not for profit corporation, is Missouri's SIB. The SIB program was created by federal law in 1995 to finance both highway and non-highway projects. The STAR program finances non-highway projects such as air, water, rail, or mass transit facility construction, mass transit vehicles, and vehicles for elderly or handicapped persons. STAR funding is determined by the General Assembly.

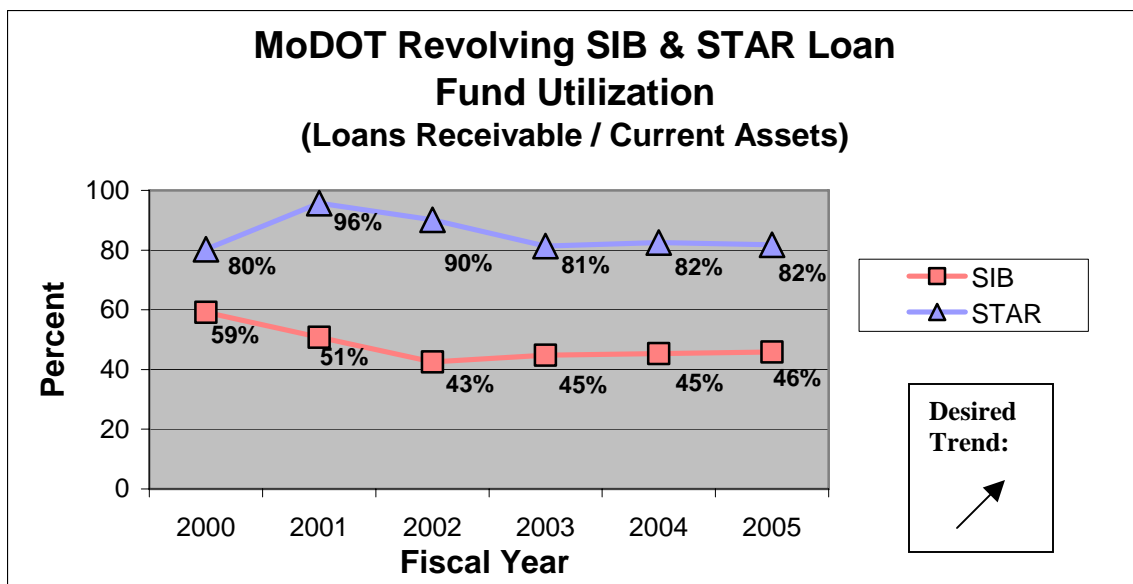
Measurement and Data Collection:

The data used to calculate the amounts of funds currently on loan is collected through a database used to track the SIB and STAR loans. Amounts available to be loaned are obtained from financial reports.

Improvement Status:

A SIB loan for \$100,000 was disbursed during the quarter. The SIB currently has one formal loan application pending and three other loans being discussed at this time. On December 31, 2005, the SIB funds available for loan were approximately \$42.8 million.

To advance this measure and improve SIB utilization a partnership development manager has recently been hired to actively market the loan programs and coordinate utilization with other MoDOT partnership programs. Our research indicates that while our SIB utilization rate is comparable to that of other states with similar-sized programs, it could be improved. Several states we contacted had SIB utilization rates of approximately 70%. The states with higher SIB utilization typically had an intensive marketing effort and used more creative financing tools such as SIB bonding programs.



Leverage Transportation to Advance Economic Development

Rate of economic return from transportation investment

Result Driver: Roberta Broeker, Chief Financial & Administrative Officer

Measurement Driver: Ernie Perry, Organizational Performance Administrator

Purpose of the Measure:

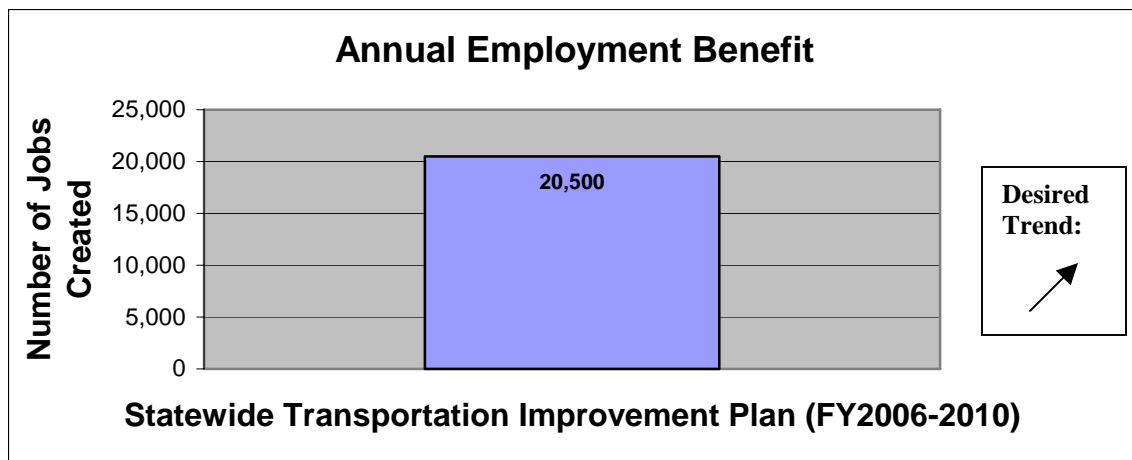
This measure monitors the economic return from the State's roadway transportation investment through the number of jobs created, changes in personal income, and value-added GSP (Gross State Product).

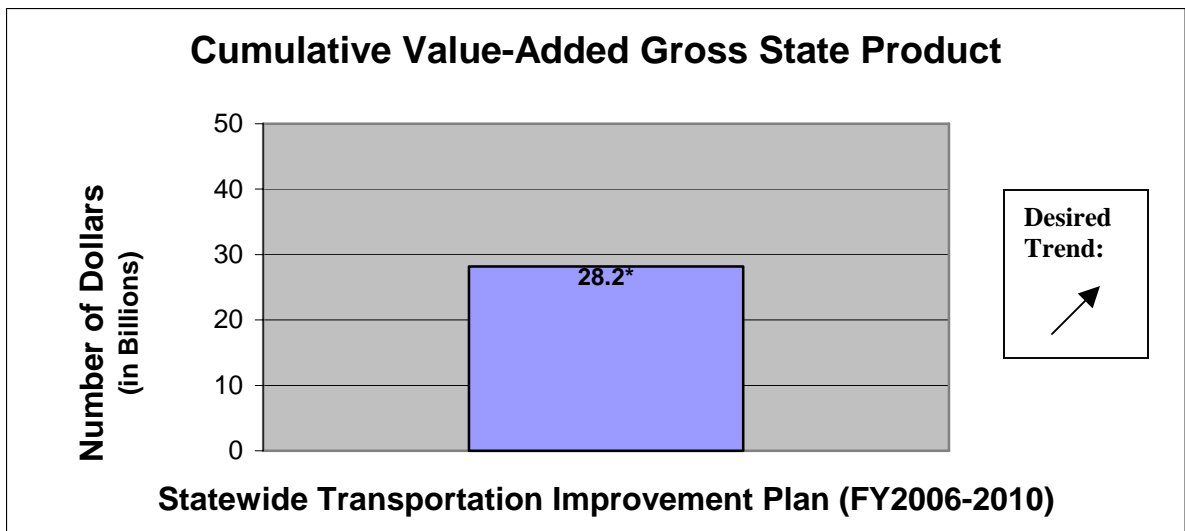
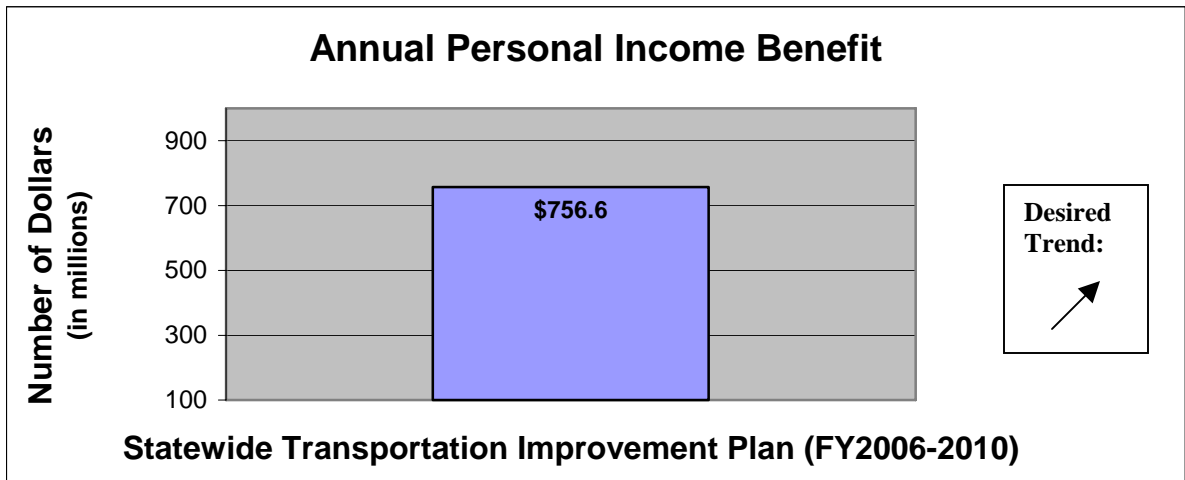
Measurement and Data Collection:

MoDOT partners with the Department of Economic Development to complete economic modeling of the state's transportation investments. The REMI Inc economic model is used for this analysis. Through these efforts, the department is able to provide state and regional level estimates to demonstrate employment, income and state benefits related to specific projects, corridors and program expenditures.

Improvement Status:

The information generated through the use of the REMI model demonstrates that there is a strong link between transportation investments and economic development. A year by year analysis of the Statewide Transportation Improvement Program is used to provide a summary of economic benefits related to transportation investments on a program basis. As a summary measure of transportation's contributions, the 2006 through 2010 Statewide Transportation Improvement Plan (STIP) will invest over \$5.7 billion dollars in 800 transportation projects across the state. In the average year, the STIP investments create approximately 20,500 new jobs paying an average wage of \$29,000 per job. There is an expected increase in annual average personal income of over \$756.6 million as a result of the STIP projects, and an expected increase in economic activity of \$2.4 billion. In terms of Gross State Product – value added, the 2006 through 2010 STIP jobs contribute over \$1.4 billion per year. We will continue to work with the Department of Economic Development to understand, and then maximize the benefits to the state and its citizens from transportation investments.





*Value –Added Gross State-Product equates to a 4.89:1 return on the transportation investment. Thus for every \$1 invested through the STIP, the state can expect a return of approximately \$4.89.

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